



STATE OF INDIANA

Request for Proposal 17-032

INDIANA DEPARTMENT OF ADMINISTRATION

**On Behalf Of
INDIANA STATE PERSONNEL DEPARTMENT**

**Solicitation For:
THIRD PARTY ADMINISTRATIVE SERVICES FOR EMPLOYEE
WORKER'S COMPENSATION AND DISABILITY PLANS**

Response Due Date: October 24, 2016 at 3:00PM Eastern Time

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Indiana Department of Administration
Procurement Division
402 W. Washington St., Room W468
Indianapolis, Indiana 46204

SECTION ONE
GENERAL INFORMATION AND REQUESTED PRODUCTS/SERVICES

1.1 INTRODUCTION

In accordance with Indiana statute, including IC 5-22-9, the Indiana Department of Administration (IDOA), acting on behalf of the Indiana State Personnel Department (SPD), requires services of a third party administrator (TPA) for the State of Indiana Employee's self-funded Worker's Compensation and Disability plans. It is the intent of IDOA to solicit responses to this Request for Proposals (RFP) in accordance with the statement of work, proposal preparation section, and specifications contained in this document. This RFP is being posted to the IDOA website (<http://www.IN.gov/idoa/2354.htm>) for downloading. A nominal fee will be charged for providing hard copies. Neither this RFP nor any response (proposal) submitted hereto are to be construed as a legal offer.

1.2 DEFINITIONS AND ABBREVIATIONS

Following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in the RFP, but they are more localized and defined where they appear, rather than in the following list.

| | |
|----------------------------|---|
| IAC | Indiana Administrative Code |
| IC | Indiana Code |
| CUF | Commercially Useful Function – A business function that supports the scope of this solicitation |
| Full Time Equivalent (FTE) | The State defines FTE as a measurement of an employee's productivity when executing the scope of work in this RFP for a specific project or contract. An FTE of 1 would mean that there is one worker fully engaged on a project. If there are two employees each spending 1/2 of their working time on a project that would also equal 1 FTE |
| Implementation | The successful set-up of eligibility determination and claims processing, as specified in the contract resulting from this RFP |
| Installation | The delivery and physical setup of products or services requested in this RFP |
| Other Governmental Body | An agency, a board, a branch, a bureau, a commission, a council, a department, an institution, an office, or another establishment of any of the following: 1) The judicial branch 2) The legislative branch 3) A political subdivision (includes towns, cities, local governments, etc.) 4) A state educational institution |

| | |
|------------------|--|
| Products | Tangible goods or manufactured items as specified in this RFP |
| Proposal | An offer as defined in IC 5-22-2-17 |
| Respondent | An offeror as defined in IC 5-22-2-18. The State will not consider a proposal responsive if two or more offerors submit a joint or combined proposal. One entity or individual must be clearly identified as the respondent who will be ultimately responsible for performance of the contract |
| Services | Work to be performed as specified in this RFP |
| State | The State of Indiana |
| State Agency | As defined in IC 4-13-1, "state agency" means an authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative, department of state government |
| Total Bid Amount | The amount that the respondent proposes on Attachment D that represents their total, all-inclusive price. |
| Vendor | Any successful respondent selected as a result of the procurement process to deliver the products or services requested by this RFP |

1.3 PURPOSE OF THE RFP

The purpose of this RFP is to select a vendor that can satisfy the State's need for a third party administrator. It is the intent of the State Personnel Department to contract with a vendor that provides quality administrative services for the State of Indiana Employee's self-funded Worker's Compensation and Disability plans.

1.4 SUMMARY SCOPE OF WORK

1.4.1 Administrative Services

The State currently has 125 agencies (including individual correctional facilities and hospitals) that would need to receive individualized reports for their employees. Some agencies (e.g. Department of Natural Resources or Department of Workforce Development) are contained within one business unit, but have multiple locations. The standard report package would need to be able to report injuries by location.

The Corporation will provide all payroll functions for employees receiving disability pay. The State has two alternating bi-weekly payrolls. The Corporation will need to provide data weekly to the State Auditor's Office in the specified format so that employees on that week's payroll will be paid timely, accurately, and have leave days appropriately charged.

Because some agencies are Quasi/Direct Bill agencies, this will require initiating a new payroll record on the Auditor's system.

The Corporation will need to complete various forms required by the State Auditor's Office to coordinate changes to the payroll record, (e.g. transfer of employees from the agency's payroll to the disability program's payroll, tax exemptions, address changes, in and out of pay status, salary changes, health plan premium changes due to open enrollment, etc.)

The Corporation will need to process corrections to health plan premiums and at times seek reimbursement from agencies.

The Corporation will interact with the State Personnel Department to bill Worker's Compensation payments (lost time and medical claims) to the correct agency and fund/center.

The Corporation will be responsible for submitting personnel action forms to the State Personnel Department when an employee transfers from short term disability to long term disability and from long term disability to minimum benefits. The selected vendor will also be responsible for updating addresses and other personal information within the PeopleSoft system.

The Corporation shall provide third party administrative services to the State as defined below herein:

- Worker's Compensation

(1) Administration (from inception to conclusion) of all claims, originating within the period of this Contract, filed under the State's Worker's Compensation Plan to include, but not limited to:

(A) System start-up procedures

(B) Processing the appropriate payments and claims to Auditor of State

(C) Investigation, including on-site, when deemed appropriate by Contractor or requested by the State, for:

(i) Compensability

(ii) Fraudulent activity

(iii) Third-party subrogation

(D) Activity checks

(E) Return-to-work procedures and case management performed by the Contractor

(F) Claim status reports

(G) Arrange representation at worker's compensation hearings

(H) Loss reports/risk information systems capabilities including ad hoc reporting

(I) Storage of closed claims

(J) Recommendation of claim reserve levels

(K) **Contractor will issue worker's compensation checks directly to vendors for claims incurred and to Indiana state employees for wage replacement.**

Contractor will request reimbursement from the State for these payments.

The general parameters are as follows:

(i) Contractor will generate a check register for all the payments made on claims, issue and mail the checks to the proper recipients.

(ii) Contractor will send the check register weekly to the State Personnel Department, sorted by a common agency number that will be provided by the State.

- (iii) State Personnel will be responsible for ensuring that expeditious reimbursement is provided to the Contractor
 - (iv) **The terms for reimbursement of vendor payments and employee wage replacements are contained in Section 36 of the sample contract.** If reimbursement funds are not received by Contractor, within ten (10) days from receipt of the payment register by the State, Contractor may suspend the processing of pending worker's compensation payments until reimbursement is received.
 - (v) Contractor is responsible for distributing the resulting 1099 tax form.
- (2) The services also include the preparation of and attendance at periodic claims reviews as well as any other necessary meetings between Contractor and the State of Indiana. It is estimated that periodic claims reviews shall be held quarterly, but the State reserves the right to have reviews more frequently.
- (3) In addition to administration, other services required include, but are not limited to:
 - (A) Utilization review including hospitalization, concurrent review and diagnostic testing precertification in accordance with Contractor's normal standards
 - (B) Medical bill review
 - (C) Coordination of medical payments with the State of Indiana's Self-Funded Medical Plans
 - (D) Coordination of legal representation
 - (E) Vocational/rehabilitation professionals
 - (F) Case management professionals
 - (G) Training

- Disability

- (1) Administration of all claims, originating within the period of this contract filed under the State's Disability Plan to include, but not limited to:
 - (A) System start-up procedures
 - (B) Processing bi-weekly payments to recipients through the State Auditor's Office
 - (C) Disability status investigation, when deemed appropriate by Contractor or requested by the State, including on-site, for:
 - (i) Eligibility for benefits
 - (ii) Fraudulent activity
 - (iii) Third-party subrogation
 - (D) Activity checks
 - (E) Case management for return to work performed by Contractor
 - (F) Claim status reports
 - (G) Loss reports
 - (H) Lay representation at State Employees Appeals Commission and Grievance Hearings
 - (I) Age and impairment limitation notice to recipients
 - (J) Other income/employment investigations
 - (K) Pursue Social Security Disability application with claimant and assist claimant in filing
 - (L) Verification of and offset of income received from other sources
 - (M) Partial disability placements
 - (N) Voucher for provider payment, when necessary, for independent examinations and services related thereto
 - (O) Recommendation of claims reserve levels

- (P) Coordination, with agency, of appropriate compensation for employees augmenting disability with accrued leave
- (Q) Ad hoc reporting
- (R) Closed claim storage
- (S) Distribution of benefit payments and employee notices (e.g. open enrollment information) to employees and payments to providers.
- (T) Processing of minimum benefits under 31 IAC 5-9-21.
- (2) The services also include the preparation of and attendance at periodic claims reviews as well as any other necessary meetings between the Contractor and the State of Indiana. It is estimated periodic claims reviews shall be held quarterly, but the State reserves the right to have reviews more frequently.
- (3) In addition to administration, other services include, but are not limited to:
 - (A) Coordination of legal representation
 - (B) Vocational rehabilitation services
 - (C) Training
- Worker's Compensation and Disability
 - (1) Contractor is responsible for coordination of services, including voucher issuance, for those claims which are filed under both the Worker's Compensation and Disability Plans. These involve lost time claims and include the following:
 - (A) Tortious injuries - The employee suffered an occupational injury by the tortious act of another person. The employee receives 100% of his/her average weekly wage from disability (after the 7 day elimination period). Medical treatment necessitated by the occupational injury will be coordinated and paid for like any Worker's Compensation claim.
 - (B) Non-tortious injuries - If the employee's wage replacement from worker's compensation is less than the employee's salary continuation under the Disability Plan the employee would receive the difference, up to the maximum allowed under the Disability Plan (after the 30 day elimination period).
 - (C) Minimum benefits - When the employee's wage replacement from worker's compensation exceeds salary continuation benefits under the Disability Plan, the employee is to receive a minimum benefit of E.A.P., health, dental, vision and life insurance contributions under 31 IAC 5-9-21.
 - (2) For those claims filed under both Plans, the TPA shall provide the same services as indicated in paragraphs 1.A. and 1.B.
- Preferred Provider Network
 - (1) The preferred provider network is to cover the entire state and include physicians who have education and experience in occupational injuries and diseases as well as the worker's compensation system. This includes, but is not limited to, orthopedic physicians and surgeons, hand specialists, neurologists, and occupational therapists.
 - (2) The network is to provide access to a primary care physician in the network within a thirty (30) mile radius of the employee's work station.
 - (3) Appointments should be available within twenty-four (24) hours of scheduling, except for specialty physicians.
 - (4) The network shall also include hospital emergency rooms and industrial clinics that provide emergency services.
 - (5) The Contractor will work with the State to continuously improve the network.

- Partial Disability Program

The Contractor is expected to assist in a modified duty placement, known as Partial Disability in the Disability Plan, for employees who have been given temporary or permanent restrictions and who are still eligible for benefits under the Plan. The Contractor is responsible for coordination of this process with the Benefits Division of State Personnel, the employee, and the appropriate agency.

The Contractor's staff will identify possible candidates for these placements and, working with appropriate medical personnel, determine the employee's ability to return to work as well as any restrictions that may exist.

- Reports

The Contractor shall provide, as needed, the following information for all Worker's Compensation and Disability Claims:

- (1) Name of employee
- (2) Social Security Number and/or PeopleSoft ID
- (3) Date of injury
- (4) Diagnosis for that claim
- (5) Disposition of the claim: accepted, pending, denied, open, closed
- (6) Date claim was closed (or the date the Contractor is no longer paying medical bills related to the injury)
- (7) Dollar amount paid
- (8) Recommended reserve

- Training

(1) Contractor will assist in briefing relevant groups (e.g., employee organizations, insurance vendors, executive staff and agency heads), concerning program implementation and operation.

(2) Ongoing awareness and communication of this program is the responsibility of the Contractor, in conjunction with the State Personnel Department. This includes conducting on-site training seminars highlighting workplace safety and the overall administration of the Plans. The training expenses are incorporated into the charge for lost time worker's compensation claims.

- Consulting Services

The Contractor will provide periodic consulting services including:

- (1) Changes in the Contractor's personnel which will affect the State
- (2) Changes in the PPO network; i.e., additions of physicians in the network
- (3) Successes in the cost-containment services being utilized on the State's claims
- (4) Informative articles on workplace safety, etc.
- (5) Legislative updates
- (6) Pertinent decisions handed down by the Worker's Compensation Board, Court of Appeals, and/or Supreme Court
- (7) Any other information that would be informative to the State

- On-line access

On-line access will be made available to State Personnel for both workers compensation and disability.

- Coordination with Auditor of State as Fiscal Agent
The Auditor of State will act as the fiscal agent for payments to claimants on the Disability Plan.

1.4.2 Eligibility

- Disability Plan
A full-time employee (37.5 hours per week) of the State of Indiana with six months active continuous full-time employment.
- Tortious Disability
A full-time employee (37.5 hours per week) of the State of Indiana who, in the scope of State employment, is disabled by injuries resulting from the tortuous act of another person, as distinguished from passive negligence.

1.4.3 Plan Design

The State employee Disability Plan is governed by IC 5-10-8-7 and 31 IAC 5-9. The current employee handbook can be found at http://in.gov/spd/files/disability_workcomp_handbook.pdf.

1.4.4 Current Membership

There are approximately 30,162 current employees eligible for the State Employee Disability Plan. Approximately 33,626 employees are eligible for Worker's Compensation Benefits. Attachment H, Demographic Data, provides current employee counts by zip code.

1.4.5 Current Purchasing Profile

In aggregate, the State spends approximately \$981,000 annually on third-party administrative services for the state employee disability and worker's compensation plans. Since this number is based on past usage and may fluctuate up or down, the State is not in a position to guarantee that future spending will be at these levels. Attachment I, Historical Claim Information, provides an overview of past claims experience and Attachment J is Loss Runs Data for 2012-2015. Nevertheless, the amount is provided as an aid to suppliers in responding to this RFP.

Any figures provided are only estimates and are not to be construed as any amount to be offered under this RFP. **However, when completing Minority and Women's Business Enterprises Participation Plan Form (Attachment A), the Indiana Economic Impact Form (Attachment C) and IVBE Participation Plan Form (Attachment A1) please use the Total Administrative Fees amount from the Cost Proposal (Attachment D).**

1.5 RFP OUTLINE

The outline of this RFP document is described below:

| Section | Description |
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| Section 1 – General Information and Requested Products or Services | This section provides an overview of the RFP, general timelines for the process, and a summary of the products/services being solicited by the State/Agency |

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| | via this RFP |
| Section 2 – Proposal Preparation Instruction | This section provides instructions on the format and content of the RFP including a Letter of Transmittal, Business Proposal, Technical Proposal, and a Cost Proposal |
| Section 3 – Proposal Evaluation Criteria | This sections discusses the evaluation criteria to be used to evaluate respondents’ proposals |
| Attachment A | M/WBE Participation Plan Form |
| Attachment A1 | IVBE Participation Plan Form |
| Attachment B | Sample Contract |
| Attachment C | Indiana Economic Impact Form |
| Attachment D | Cost Proposal Template |
| Attachment E | Business Proposal Template |
| Attachment F | Technical Proposal Template |
| Attachment G | Q&A Template |
| Attachment H | Demographic Data |
| Attachment I | Historical Claim Information |
| Attachment J | Loss Runs Data |

1.6 QUESTION/INQUIRY PROCESS

All questions/inquiries regarding this RFP must be submitted in writing by the deadline of **3:00 p.m. Eastern Time on September 14, 2016**. Questions/Inquiries may be submitted in Attachment G, Q&A Template, via email to Ljones@idoa.IN.gov and must be received by the time and date indicated above.

Following the question/inquiry due date, Procurement Division personnel will compile a list of the questions/inquiries submitted by all Respondents. The responses will be posted to the IDOA website according to the RFP timetable established in Section 1.24. The question/inquiry and answer link will become active after responses to all questions have been compiled. Only answers posted on the IDOA website will be considered official and valid by the State. No Respondent shall rely upon, take any action, or make any decision based upon any verbal communication with any State employee.

Inquiries are not to be directed to any staff member of the Indiana State Personnel Department. Such action may disqualify Respondent from further consideration for a contract resulting from this RFP.

If it becomes necessary to revise any part of this RFP, or if additional information is necessary for a clearer interpretation of provisions of this RFP prior to the due date for proposals, an addendum will be posted on the IDOA website. If such addenda issuance is necessary, the Procurement Division may extend the due date and time of proposals to accommodate such additional information requirements, if required.

1.7 DUE DATE FOR PROPOSALS

All proposals must be received at the address below by the Procurement Division no later than **3:00 p.m. Eastern Time on October 24, 2016**. Each Respondent must submit **one original CD-ROM (marked "Original") and four (4) complete copies on CD-ROM** of the proposal, including the Transmittal Letter and other related documentation as required in this RFP. The **original** CD-ROM will be considered the official response in evaluating responses for scoring and protest resolution. **The respondent's proposal response on this CD may be posted on the IDOA website, (<http://www.in.gov/idoa/2462.htm>) if recommended for selection.** Each copy of the proposal must follow the format indicated in Section Two of this document. Unnecessarily elaborate brochures or other presentations, beyond those necessary to present a complete and effective proposal, are not desired. All proposals must be addressed to:

Indiana Department of Administration
Procurement Division
402 West Washington Street, Room W468
Indianapolis, IN 46204

If you hand-deliver solicitation responses:

To facilitate weapons restrictions at Indiana Government Center North and Indiana Government Center South, as of **July 21, 2008**, the public must enter IGC buildings through a designated public entrance. The public entrance to Indiana Government Center South is located at 302 W. Washington St. (the eastern-most Washington St. entrance). This entrance will be equipped with metal detectors and screening devices monitored by Indiana State Police Capitol Police.

Passing through the public entrance may take some time. Please be sure to take this information into consideration if your company plans to submit a solicitation response in person.

If you ship or mail solicitation responses: United States Postal Express and Certified Mail are both delivered to the Government Center Central Mailroom, and not directly to the Procurement Division. It is the responsibility of the Respondent to make sure that solicitation responses are received by the Procurement Division at the Department of Administration's reception desk on or before the designated time and date. Late submissions will not be accepted. The Department of Administration, Procurement Division clock is the official time for all solicitation submissions.

Regardless of delivery method, all proposal packages must be sealed and clearly marked with the RFP number, due date, and time due. IDOA will not accept any unsealed bids. Any proposal received by the Department of Administration, Procurement Division after the due date and time will not be considered. Any late proposals will be returned, unopened, to the Respondent upon request. All rejected proposals not claimed within 30 days of the proposal due date will be destroyed.

No more than one proposal per Respondent may be submitted.

The State accepts no obligations for costs incurred by Respondents in anticipation of being awarded a contract.

1.8 PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held on **Wednesday, September 7, 2016 at 1:00 PM in Indiana Government Center South Conference Center Room 4**. At this conference, potential respondents may ask questions about the RFP and the RFP process. Respondents are reminded that no answers issued

verbally at the conference are binding on the State and any information provided at the conference, unless it is later issued in writing, also is not binding on the State.

1.9 MODIFICATION OR WITHDRAWAL OF OFFERS

Modifications to responses to this RFP may only be made in the manner and format consistent with the submittal of the original response, acceptable to IDOA and clearly identified as a modification.

The Respondent's authorized representative may withdraw the proposal, in person, prior to the due date. Proper documentation and identification will be required before the Procurement Division will release the withdrawn proposal. The authorized representative will be required to sign a receipt for the withdrawn proposal.

Modification to, or withdrawal of, a proposal received by the Procurement Division after the exact hour and date specified for receipt of proposals will not be considered.

1.10 PRICING

Pricing on this RFP must be firm and remain open for a period of not less than 180 days from the proposal due date. Any attempt to manipulate the format of the document, attach caveats to pricing, or submit pricing that deviates from the current format will put your proposal at risk.

Please refer to the Cost Proposal sub-section under Section 2 for a detailed discussion of the proposal pricing format and requirements.

1.11 PROPOSAL CLARIFICATIONS AND DISCUSSIONS, AND CONTRACT DISCUSSIONS

The State reserves the right to request clarifications on proposals submitted to the State. The State also reserves the right to conduct proposal discussions, either oral or written, with Respondents. These discussions could include request for additional information, request for cost or technical proposal revision, etc. Additionally, in conducting discussions, the State may use information derived from proposals submitted by competing respondents only if the identity of the respondent providing the information is not disclosed to others. The State will provide equivalent information to all respondents which have been chosen for discussions. Discussions, along with negotiations with responsible respondents may be conducted for any appropriate purpose.

The Procurement Division will schedule all discussions. Any information gathered through oral discussions must be confirmed in writing.

A sample contract is provided in Attachment B. Any requested changes to the sample contract must be submitted with your response (See Section 2.3.5 for details). The State reserves the right to reject any of these requested changes. It is the State's expectation that any material elements of the contract will be substantially finalized prior to contract award.

1.12 BEST AND FINAL OFFER

The State may request best and final offers from those Respondents determined by the State to be reasonably viable for contract award. However, the State reserves the right to award a contract on the

basis of initial proposals received. Therefore, each proposal should contain the Respondent's best terms from a price and technical standpoint.

Following evaluation of the best and final offers, the State may select for final contract negotiations/execution the offers that are most advantageous to the State, considering cost and the evaluation criteria in this RFP.

1.13 REFERENCE SITE VISITS

The State may request a site visit to a Respondent's working support center to aid in the evaluation of the Respondent's proposal. Site visits, if required will be discussed in the technical proposal.

1.14 TYPE AND TERM OF CONTRACT

The State intends to sign a contract with one or more Respondent(s) to fulfill the requirements in this RFP.

The term of the contract shall be for a period of four (4) years from the date of contract execution. There may be four (4) one-year renewals for a total of eight (8) years at the State's option.

1.15 CONFIDENTIAL INFORMATION

Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act (APRA), IC 5-14-3 *et seq.*, and, after the contract award, the entire RFP file may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the APRA must indicate so in the Transmittal Letter. Confidential Information must also be clearly marked in a separate folder on any included CD-ROM. The Respondent must also specify which statutory exception of APRA that applies. The State reserves the right to make determinations of confidentiality. If the Respondent does not identify the statutory exception, the Procurement Division will not consider the submission confidential. If the State does not agree that the information designated is confidential under one of the disclosure exceptions to APRA, it may seek the opinion of the Public Access Counselor. Prices are not confidential information.

1.16 TAXES

Proposals should not include any tax from which the State is exempt.

1.17 PROCUREMENT DIVISION REGISTRATION

In order to receive an award, you must be registered as a bidder with the Department of Administration, Procurement Division. Therefore, to ensure there is no delay in the award all Respondents are strongly encouraged to register prior to submission of their response. Respondents should go to www.in.gov/idoa/2464.htm.

1.18 SECRETARY OF STATE REGISTRATION

If awarded the contract, the Respondent will be required to register, and be in good standing, with the Secretary of State. The registration requirement is applicable to all limited liability partnerships, limited partnerships, corporations, S-corporations, nonprofit corporations and limited liability companies. Information concerning registration with the Secretary of State may be obtained by contacting:

Secretary of State of Indiana
Corporation Division
402 West Washington Street, E018
Indianapolis, IN 46204
(317) 232-6576
www.in.gov/sos

1.19 COMPLIANCE CERTIFICATION

Responses to this RFP serve as a representation that it has no current or outstanding criminal, civil, or enforcement actions initiated by the State, and it agrees that it will immediately notify the State of any such actions. The Respondent also certifies that neither it nor its principals are presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State. The Respondent agrees that the State may confirm, at any time, that no such liabilities exist, and, if such liabilities are discovered, that State may bar the Respondent from contracting with the State, cancel existing contracts, withhold payments to setoff such obligations, and withhold further payments or purchases until the entity is current in its payments on its liability to the State and has submitted proof of such payment to the State.

1.20 EQUAL OPPORTUNITY COMMITMENT

Pursuant to IC 4-13-16.5 and in accordance with 25 IAC 5, it has been determined that there is a reasonable expectation of minority and woman business enterprises subcontracting opportunities on a contract awarded under this RFP. Therefore, a contract goal of eight percent (8%) for Minority Business Enterprises and eight percent (8%) for Woman Business Enterprises have been established, and all respondents will be expected to comply with the regulation set forth in 25 IAC 5.

Failure to address these requirements may impact the evaluation of your proposal.

1.21 MINORITY & WOMEN'S BUSINESS ENTERPRISES RFP SUBCONTRACTOR COMMITMENT

In accordance with 25 IAC 5-5, the respondent is expected to submit with its proposal a MWBE Subcontractor Commitment Form. The Form must show that there are, participating in the proposed contract, Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) listed in the Minority and Women's Business Enterprises Division (MWBED) directory of certified firms located at <http://www.in.gov/idoa/2352.htm>.

If participation is met through use of vendors who supply products and/or services directly to the Respondent, the Respondent must provide a description of products and/or services provided that are directly related to this proposal and the cost of direct supplies for this proposal. Respondents must complete the Subcontractor Commitment Form in its entirety.

Failure to meet these goals will affect the evaluation of your Proposal. The Department reserves the right to verify all information included on the MWBE Subcontractor Commitment Form.

Respondents are encouraged to contact and work with MWBED at 317-232-3061 to design a subcontractor commitment to meet established goals as referenced in this solicitation.

Prime Contractors must ensure that the proposed subcontractors meet the following criteria:

- Must be listed on the IDOA Directory of Certified Firms, on or before the proposal due date
- Each firm may only serve as one classification – MBE, WBE, or IVBE (see section 1.21)
- A Prime Contractor who is an MBE or WBE must meet subcontractor goals by using other listed certified firms. Certified Prime Contractors cannot count their own workforce or companies to meet this requirement.
- **Must serve a Commercially Useful Function (CUF). The firm must serve a value-added purpose on the engagement, as confirmed by the State.**
- Must provide goods or service only in the industry area for which it is certified as listed in the directory at <http://www.in.gov/idoa/2352.htm>
- Must be used to provide the goods or services specific to the contract
- National Diversity Plans are generally not acceptable

MINORITY & WOMEN'S BUSINESS ENTERPRISES RFP SUBCONTRACTOR LETTER OF COMMITMENT

A signed letter(s), on company letterhead, from the MBE and/or WBE must accompany the MWBE Subcontractor Commitment Form. Each letter shall state and will serve as acknowledgement from the MBE and/or WBE of its subcontract amount, a description of products and/or services to be provided on this project, and approximate date the subcontractor will perform work on this contract. The State reserves the right to deny evaluation points if the letter(s) is not attached. The State may deny evaluation points if the letter(s) is not attached, not on company letterhead, not signed and/or does not reference and match the subcontract amount and the anticipated period that the Subcontractor will perform work for this solicitation.

By submission of the Proposal, the Respondent acknowledges and agrees to be bound by the regulatory processes involving the State's M/WBE Program. Questions involving the regulations governing the MWBE Subcontractor Commitment Form should be directed to: Minority and Women's Business Enterprises Division at (317) 232-3061 or <http://www.in.gov/idoa/2352.htm>.

1.22 INDIANA VETERANS BUSINESS ENTERPRISE SUBCONTRACTOR COMMITMENT

In accordance with Executive Order 13-04 and IC 5-22-14-3.5, it has been determined that there is a reasonable expectation of Indiana Veterans Business Enterprises subcontracting opportunities on a contract awarded under this RFP. Therefore, a contract goal of three percent (3%) for Indiana Veterans Business Enterprises has been established. The IVBE Subcontractor Commitment Form is to be submitted alongside the respondent's proposal. The Form must show that they are participating in the proposed contract and IVBE firms that meet the requirements listed at the Veteran's Business Program website (<http://www.in.gov/idoa/2862.htm>).

If participation is met through use of vendors who supply products and/or services directly to the Respondent, the Respondent must provide a description of products and/or services provided that are directly related to this proposal and the cost of direct supplies for this proposal. Respondents must complete the Subcontractor Commitment Form in its entirety. The amount entered in "**TOTAL ADMINISTRATIVE FEE AMOUNT**" should match the **Total Administrative Fees** in Attachment D, Cost Proposal Template.

Failure to address these goals may impact the evaluation of your Proposal. The Department reserves the right to verify all information included on the IVBE Subcontractor Commitment Form.

Prime Contractors must ensure that the proposed IVBE subcontractors meet the following criteria:

- Must be listed on Federal Center for Veterans Business Enterprise VetBiz registry, on or before the proposal due date
- Must qualify as a Buy Indiana Business under designation 1, on or before the proposal due date. See section 2.7 for more information
- Each firm may only serve as one classification – MBE, WBE (see Section 1.21) or IVBE
- A Prime Contractor who is an IVBE must meet subcontractor goals by using other listed certified firms. Certified Prime Contractors cannot count their own workforce or companies to meet this requirement.
- **Must serve a Commercially Useful Function (CUF). The firm must serve a value-added purpose on the engagement, as confirmed by the State.**
- Must provide goods or service only in the industry area for which it is certified as listed in the VetBiz directory <http://www.in.gov/idoa/2352.htm>
- Must be used to provide the goods or services specific to the contract

INDIANA VETERAN’S BUSINESS ENTERPRISES RFP SUBCONTRACTOR LETTER OF COMMITMENT

A signed letter(s), on company letterhead, from the IVBE must accompany the IVBE Subcontractor Commitment Form. Each letter shall state and will serve as acknowledgement from the IVBE of its subcontract amount, a description of products and/or services to be provided on this project, and approximate date the subcontractor will perform work on this contract. The State reserves the right to deny evaluation points if the letter(s) is not attached. The State may deny evaluation points if the letter(s) is not attached, not on company letterhead, not signed and/or does not reference and match the subcontract amount, subcontract amount as a percentage of the “Total Administrative Fee” as entered on Attachment D, Cost Proposal and the anticipated period that the Subcontractor will perform work for this solicitation.

By submission of the Proposal, the Respondent acknowledges and agrees to be bound by the policies and processes involving the State’s IVBE Program. Questions involving the regulations governing the IVBE Subcontractor Commitment Form should be directed to: indianaveteranspreference@idoa.in.gov.

1.23 AMERICANS WITH DISABILITIES ACT

The Respondent specifically agrees to comply with the provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.* and 47 U.S.C. 225).

1.24 SUMMARY OF MILESTONES

The following timeline is only an illustration of the RFP process. The dates associated with each step are not to be considered binding. Due to the unpredictable nature of the evaluation period, these dates are commonly subject to change. At the conclusion of the evaluation process, all Respondents will be informed of the evaluation team’s findings.

Key RFP Dates

| Activity | Date |
|---|--------------------|
| Issue of RFP | August 30, 2016 |
| Pre-Proposal Conference | September 7, 2016 |
| Deadline to Submit Written Questions | September 14, 2016 |
| Response to Written Questions/RFP Amendments | September 22, 2016 |
| Submission of Proposals | October 24, 2016 |
| <i>The dates for the following activities are target dates only. These activities may be completed earlier or later than the date shown.</i> | |
| Proposal Evaluation | TBD |
| Proposal Discussions/Clarifications (if necessary) | TBD |
| Oral Presentations (if necessary) | TBD |
| Best and Final Offers (if necessary) | TBD |
| RFP Award Recommendation | February 1, 2017 |

1.25 CONFLICT OF INTEREST

Any person, firm or entity that assisted with and/or participated in the preparation of this RFP document is prohibited from submitting a proposal to this specific RFP. For the purposes of this RFP “person” means a state officer, employee, special state appointee, or any individual or entity working with or advising the State or involved in the preparation of this RFP proposal. This prohibition would also apply to an entity who hires, within a one-year period prior to the publication of this RFP, a person that assisted with and/or participated in the preparation of this RFP.

SECTION TWO PROPOSAL PREPARATION INSTRUCTIONS

2.1 GENERAL

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is described in this section. All Respondents are required to format their proposals in a manner consistent with the guidelines described below:

- Each item must be addressed in the Respondent's proposal.
- The Transmittal Letter must be in the form of a letter. The business and technical proposals must be organized under the specific section titles as listed below.
- The electronic copies of the proposal submitted via CD-ROM should be organized to mirror the sections below and the attachments.
- Each item, i.e. Transmittal Letter, Business Proposal, Technical Proposal, Cost Proposal, etc., must be separate standalone electronic files on the CD-ROM. Please do not submit your proposal as one large file.
- Whenever possible, please submit all attachments in their original format.
- Confidential Information must also be clearly marked in a separate folder/file on any included CD-ROM.

2.2 TRANSMITTAL LETTER

The Transmittal Letter must address the following topics except those specifically identified as "optional."

2.2.1 Agreement with Requirement in listed in Section 1

The Respondent must explicitly acknowledge understanding of the general information presented in Section 1 and agreement with any requirements/conditions listed in Section 1.

2.2.2 Summary of Ability and Desire to Supply the Required Products or Services

The Transmittal Letter must briefly summarize the Respondent's ability to supply the requested products and/or services that meet the requirements defined in Section 2.4 of this RFP. The letter must also contain a statement indicating the Respondent's willingness to provide the requested products and/or services subject to the terms and conditions set forth in the RFP including, but not limited to, the State's mandatory contract clauses.

2.2.3 Signature of Authorized Representative

A person authorized to commit the Respondent to its representations and who can certify that the information offered in the proposal meets all general conditions including the information requested in Section 2.3.4, must sign the Transmittal Letter. **In the Transmittal Letter, please indicate the principal contact for the proposal along with an address, telephone and fax number as well as an e-mail address, if that contact is different than the individual authorized for signature.**

2.2.4 Respondent Notification

Unless otherwise indicated in the Transmittal Letter, Respondents will be notified via e-mail.

It is the Respondent's obligation to notify the Procurement Division of any changes in any address that may have occurred since the origination of this solicitation. The Procurement Division will not be held responsible for incorrect vendor/contractor addresses.

2.2.5 Confidential Information

Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act (APRA), IC 5-14-3 *et seq.* (see section 1.16).

Provide the following information:

- List all documents where claiming a statutory exemption to the APRA;
- Specify which statutory exception of APRA that applies for each document;
- Provide a description explaining the manner in which the statutory exception to the APRA applies for each document.

2.2.6 Other Information

This item is optional. Any other information the Respondent may wish to briefly summarize will be acceptable.

2.3 BUSINESS PROPOSAL

The Business Proposal must address the following topics except those specifically identified as "optional." **The Business Proposal Template is Attachment E.**

2.3.1 General (optional)

This section of the business proposal may be used to introduce or summarize any information the Respondent deems relevant or important to the State's successful acquisition of the products and/or services requested in this RFP.

2.3.2 Respondent's Company Structure

The legal form of the Respondent's business organization, the state in which formed (accompanied by a certificate of authority), the types of business ventures in which the organization is involved, and a chart of the organization are to be included in this section. If the organization includes more than one product division, the division responsible for the development and marketing of the requested products and/or services in the United States must be described in more detail than other components of the organization.

2.3.3 Company Financial Information

This section must include the Respondent's financial statement, including an income statement and balance sheet, for each of the two most recently completed fiscal years. The financial statements must demonstrate the Respondent's financial stability. If the financial statements being provided by the Respondent are those of a parent or holding company, additional financial information should be provided for the entity/organization directly responding to this RFP.

2.3.4 Integrity of Company Structure and Financial Reporting

This section must include a statement indicating that the CEO and/or CFO has taken personal responsibility for the thoroughness and correctness of any/all financial information supplied with this proposal. The particular areas of interest to the State in considering corporate responsibility include the following items: separation of audit functions from corporate boards and board members, if any, the manner in which the organization assures board integrity, and the separation of audit functions and consulting services. The State will consider the information offered in this section to determine the responsibility of the Respondent under IC 5-22-16-1(d).

The Sarbanes Oxley Act of 2002, H.R. 3763, is NOT directly applicable to this procurement; however, its goals and objectives may be used as a guide in the determination of corporate responsibility for financial reports.

2.3.5 Contract Terms/Clauses

Indiana law requires the inclusion of certain language in all contracts. In addition, the nature of the products and services requested in this RFP present a need for the inclusion of certain commitments in any contract resulting from this RFP. Attachment B of this document contains a sample contract that is similar to the one expected to result from this RFP.

1. Respondents should review Attachment B in detail. Specific agreement to the applicable clauses is required in the Transmittal Letter.
2. If a respondent wishes to suggest alternative wording for one or more of the clauses in Attachment B, without changing the intent, these suggestions should be documented in this section of the Business Proposal. The respondent's suggested language will be considered by the State. The State's willingness to consider alternative language does not change the requirement that the respondent agree in the Transmittal Letter to the acceptance of the State clauses as written.
3. Respondent should also disclose here any contract terms the respondent strongly desires to change or add in any resulting contract. If Respondent's proposal is conditioned on the State's agreement to a proposed change or additional contract term, that condition must be clearly documented in this section of the Business Proposal.

The State reserves the right to reject any and all requested changes and may preclude from any further consideration vendors who propose changes that are unacceptable to the State. For example, audit terms that inhibit the tracing of public funds and confirmation of the appropriate expenditure of public monies are not acceptable to the State.

The final contract will also include:

- Financial variables that comport with the proposal or subsequent negotiations.
- Updated dates, names, cross references and the like.
- Changes to mandatory State contract clauses (required by the Attorney General and Department of Administration).
- Elimination of provisions the State deems to be inapplicable

- Incorporation of portions of the RFI, RFP and Respondents answers and proposal.
- Any changes enacted by the Indiana General Assembly.

2.3.6 References

The Respondent must include a list of at least four (4) clients for whom the Respondent has provided products and/or services that are the same or similar to those products and/or services requested in this RFP. Any state government for whom the respondent has provided these products and services should be included. Information provided should include the name, address, and telephone number of the client facility and the name, title, and phone/fax numbers of a person who may be contacted for further information.

2.3.7 Registration to do Business

Secretary of State

If awarded the contract, the Respondent will be required to be registered, and be in good standing, with the Secretary of State. The registration requirement is applicable to all limited liability partnerships, limited partnerships, corporations, S-corporations, nonprofit corporations and limited liability companies. The Respondent must indicate the status of registration, if applicable, in this section of the proposal.

Department of Administration, Procurement Division

Additionally, respondents must be registered with the IDOA. This can be accomplished on-line at <http://www.in.gov/idoa/2464.htm>.

The IDOA Procurement Division maintains two databases of vendor information. The Bidder registration database is set up for vendors to register if you are interested in selling a product or service to the State of Indiana. Respondents may register on-line at no cost to become a Bidder with the State of Indiana. To complete the on-line Bidder registration, go to <http://www.in.gov/idoa/2464.htm>. The Bidder registration offers email notification of upcoming solicitation opportunities, corresponding to the Bidder's area(s) of interest, selected during the registration process. Respondents do need to be registered to bid on and receive email notifications. Completion of the Bidder registration will result in your name being added to the Bidder's Database, for email notification. The Bidder registration requires some general business information, an indication of the types of goods and services you can offer the State of Indiana, and locations(s) within the state that you can supply or service. There is no fee to be placed in Procurement Division's Bidder Database. To receive an award, you must be registered as a bidder. Problems or questions concerning the registration process or the registration form can be e-mailed to Amey Redding, Vendor Registration Coordinator, aredding@idoa.in.gov, or you may reach her by phone at (317) 234-3542.

2.3.8 Authorizing Document

Respondent personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

2.3.9 Subcontractors

The Respondent is responsible for the performance of any obligations that may result from this RFP, and shall not be relieved by the non-performance of any subcontractor. Any Respondent's proposal must identify all subcontractors and describe the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Respondent must be in compliance with all State statutes, and will be subject to the provisions thereof. For each portion of the proposed products or services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in the State's evaluation. The Respondent must furnish information to the State as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate State officials, and such relationships must meet with the approval of the State.

The Respondent must list any subcontractor's name, address and the state in which formed that are proposed to be used in providing the required products or services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal. The Respondent must indicate which, if any, subcontractors qualify as a Minority or Women Owned Business under IC 4-13-16.5-1. See Section 1.21 and Attachment A for Minority and Women Business information.

2.3.10 General Information

Each Respondent must enter your company's general information including contact information.

2.3.11 Experience Serving State Governments

Each Respondent is asked to please provide a brief description of your company's experience in serving state governments and/or quasi-governmental accounts.

2.3.12 Experience Serving Similar Clients

Each Respondent is asked to please describe your company's experience in serving clients of a similar size to the State that also had a similar scope. Please provide specific clients and detailed examples.

2.3.13 Indiana Preferences

Pursuant to IC 5-22-15-7, Respondent may claim only one (1) preference. For the purposes of this RFP, this limitation to claiming one (1) preference applies to Respondent's ability to claim eligibility for Buy Indiana points. **Respondent must clearly indicate which preference(s) they intend to claim. Additionally, the Respondent's Buy Indiana status must be finalized when the RFP response is submitted to the State.**

Buy Indiana

Refer to Section 2.7 for additional information.

2.4 TECHNICAL PROPOSAL

The Technical Proposal must be divided into the sections as described in **Attachment F, the Technical Proposal Template**. Every point made in each section must be addressed in the order given. The same outline numbers must be used in the response. RFP language should not be repeated within the response. Where appropriate, supporting documentation may be referenced by a page and paragraph number. However, when this is done, the body of the technical proposal must contain a meaningful summary of the referenced material. The referenced document must be included as an appendix to the technical proposal with referenced sections clearly marked. If there are multiple references or multiple documents, these must be listed and organized for ease of use by the State.

2.5 COST PROPOSAL

The Cost Proposal Template is Attachment D.

The Cost Proposal must be submitted in the original format. Any attempt to manipulate the format of the Cost Proposal document, attach caveats to pricing, or submit pricing that deviates from the current format will put your proposal at risk.

The State requests the pricing associated with this RFP be a firm proposal price that must remain open and in effect for a period of not less than 180 days from the proposal due date as well as any extensions agreed to in the course of contract negotiations.

2.5.1 Worker's Compensation Pricing

All information related to costs, fees, commissions, hourly rates, and other charges must be provided. All administrative charges must be presented as a fixed price per claim to conclusion and must be for the duration of the original contract term. The proposal must identify all charges not included in the fixed price and method for billing these charges. An estimate, per claim, must be provided of all costs not included in the fixed price. Expenses not specifically excluded will be considered to be within the fixed price.

A separate one-time price must be provided for notice only claims, medical only claims, and

lost time claims and any charges to move from one type of claim to another. The price must be for all claims filed under the Worker's Compensation Plan including occupational disease, cumulative trauma, and stress/mental. The one-time charges must encompass all costs of contract and claims administration including, but not limited to, services as described in Section 1.4.

The charges for utilization review and medical bill review should be presented as a percentage of savings.

During contract administration, additional expenses must be estimated and approved before the service can be provided. Expenses not approved beforehand will not be paid.

2.5.2 Disability Pricing

All information related to costs, fees, hourly rates, and other charges must be provided. Charges for most services must be presented as a fixed administrative service fee per "eligible employee" as defined in Section 1.4.2 and must be for the duration of the original contract term.

The per employee administrative service fees must encompass all of the services as described in Section 1.4 for the short term, long term, and partial disability claims.

The proposal must list any other service and the cost for that service not mentioned in Section 1.4 and billed as an allocated expense. Any service not identified as an allocated expense will be considered as covered under the administrative service fee.

During contract administration, allocated expenses must be estimated and approved before the service can be provided. Allocated expenses not approved beforehand will not be paid.

2.5.3 Worker's Compensation and Disability Pricing

A separate one-time charge must be provided for those claims which would be covered by both the Worker's Compensation and Disability Plans. All coordination of services should be included in the fixed price.

2.6 INDIANA ECONOMIC IMPACT

All companies desiring to do business with state agencies must complete an "Indiana Economic Impact" form (Attachment C). The collection and recognition of the information collected with the Indiana Economic Impact form places a strong emphasis on the economic impact a project will have on Indiana and its residents regardless of where a business is located. The collection of this information does not restrict any company or firm from doing business with the state. The amount entered in Line 16 "Total amount of this proposal" should match the "TOTAL ADMINISTRATIVE FEES" amount from the Attachment D, Cost Proposal Template.

2.7 BUY INDIANA INITIATIVE/INDIANA COMPANY

It is the Respondent's responsibility to confirm its Buy Indiana status for this portion of the process. If a Respondent has previously registered its business with IDOA, go to <http://www.in.gov/idoa/2464.htm>

and click on the link to update this registration. Click the tab titled Buy Indiana. Select the appropriate category for your business. Respondents may only select one category. Certify this selection by clicking the check box next to the certification paragraph. Once this is complete, save your selection and exit your account.

Respondents that have not previously registered with IDOA must go to <http://www.in.gov/idoa/2464.htm> and click on the link to register. During the registration process, follow the steps outlined in the paragraph above to certify your business' status. The registration process should be complete at the time of proposal submission.

Respondent must clearly indicate which preference(s) they intend to claim in the Business Proposal, Attachment E. Additionally, the Respondent's Buy Indiana status must be finalized when the RFP response is submitted to the State.

Defining an Indiana Business:

"Indiana business" refers to any of the following:

- (1) A business whose principal place of business is located in Indiana.
- (2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.
- (3) A business that employs Indiana residents as a majority of its employees.

Respondents claiming this status must indicate which of the provisions above qualifies them as an Indiana business. They must also fully complete the Indiana Economic Impact Form (Attachment C) and include it with their response.

The following is the policy concerning items 4 & 5 described below. Appropriate documentation must be provided with your proposal response supporting either claim made below:

- (4) A business that makes significant capital investments in Indiana.
- (5) A business that has a substantial positive economic impact on Indiana.

Substantial Capital Investment:

Any company that can demonstrate a minimum capital investment of \$5 million or more in plant and/or equipment or annual lease payments of \$2.5 million or more shall qualify as an Indiana business under category #4. If an out of state company does not meet one of these criteria, it can submit documentation/justification to the State for review for inclusion under this category.

Substantial Indiana Economic Impact:

Any company that is in the top 500 companies (adjusted) for one of the following categories: number of employees (DWD), unemployment taxes (DWD), payroll withholding taxes (DOR), or Corporate Income Taxes (DOR); it shall qualify as an Indiana business under category #5. If a Respondent needs assistance in determining if its business qualifies under this criterion, please send an email inquiry to buyindianainvest@idoa.in.gov and you will receive a response within forty-eight (48) hours. If an out of state company does not meet one of these criteria, it can submit documentation/justification to the State for review for inclusion under this category.

SECTION THREE **PROPOSAL EVALUATION**

3.1 PROPOSAL EVALUATION PROCEDURE

The State has selected a group of personnel to act as a proposal evaluation team. Subgroups of this team, consisting of one or more team members, will be responsible for evaluating proposals with regard to compliance with RFP requirements. All evaluation personnel will use the evaluation criteria stated in Section 3.2. The Commissioner of IDOA or their designee will, in the exercise of their sole discretion, determine which proposals offer the best means of servicing the interests of the State. The exercise of this discretion will be final.

The procedure for evaluating the proposals against the evaluation criteria will be as follows:

- 3.1.1 Each proposal will be evaluated for adherence to requirements on a pass/fail basis. Proposals that are incomplete or otherwise do not conform to proposal submission requirements may be eliminated from consideration.
- 3.1.2 Each proposal will be evaluated on the basis of the categories included in Section 3.2. A point score has been established for each category.
- 3.1.3 If technical proposals are close to equal, greater weight may be given to price.
- 3.1.4 Based on the results of this evaluation, the qualifying proposal determined to be the most advantageous to the State, taking into account all of the evaluation factors, may be selected by IDOA and SPD for further action, such as contract negotiations. If, however, IDOA and SPD decide that no proposal is sufficiently advantageous to the State, the State may take whatever further action is deemed necessary to fulfill its needs. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, IDOA may begin contract preparation with the next qualified Respondent or determine that no such alternate proposal exists.

3.2 EVALUATION CRITERIA

Proposals will be evaluated based upon the proven ability of the Respondent to satisfy the requirements of the RFP in a cost-effective manner. Each of the evaluation criteria categories is described below with a brief explanation of the basis for evaluation in that category. The points associated with each category are indicated following the category name (total maximum points = 103). If any one or more of the listed criteria on which the responses to this RFP will be evaluated are found to be inconsistent or incompatible with applicable federal laws, regulations or policies, the specific criterion or criteria will be disregarded and the responses will be evaluated and scored without taking into account such criterion or criteria.

Summary of Evaluation Criteria:

| Criteria | Points |
|---|---------------------|
| 1. Adherence to Mandatory Requirements | Pass/Fail |
| 2. Management Assessment/Quality (Business and Technical Proposal) | 40 available points |

| | |
|--|---|
| 3. Cost (Cost Proposal) | 35 available points |
| 4. Indiana Economic Impact | 5 available points |
| 5. Buy Indiana | 5 available points |
| 6. Minority Business Enterprise Subcontractor Commitment | 5 available points (1 bonus point is available, see Section 3.2.6) |
| 7. Women Business Enterprise Subcontractor Commitment | 5 available points (1 bonus point is available, see Section 3.2.6) |
| 8. Indiana Veteran Business Enterprise (IVBE) Subcontractor Commitment | 5 available points (1 bonus point is available, see Section 3.2.7) |
| Total | 100 (103 if bonus awarded) |

All proposals will be evaluated using the following approach.

Step 1

In this step proposals will be evaluated only against Criteria 1 to ensure that they adhere to Mandatory Requirements. Any proposals not meeting the Mandatory Requirements will be disqualified.

Step 2

The proposals that meet the Mandatory Requirements will then be scored based on Criteria 2 and 3 ONLY. This scoring will have a maximum possible score of 75 points with a potential of 5 bonus points if certain criteria are met. All proposals will be ranked on the basis of their combined scores for Criteria 2 and 3 ONLY. This ranking will be used to create a “short list”. Any proposal not making the “short list” will not be considered for any further evaluation.

Step 2 may include one or more rounds of proposal discussions, oral presentations, clarifications, demonstrations, etc. focused on cost and other proposal elements. Step 2 may include a second “short list”.

Step 3

The short-listed proposals will then be evaluated based on all the entire evaluation criteria outlined in the table above.

If the State conducts additional rounds of discussions and a BAFO round which lead to changes in either the technical or cost proposal for the short listed Respondents, their scores will be recomputed.

The section below describes the different evaluation criteria.

3.2.1 Adherence to Requirements – Pass/Fail

Respondents passing this category move to Phase 2 and proposal is evaluated for Management Assessment/Quality and Price.

The following 2 categories cannot exceed 75 points.

3.2.2 Management Assessment/Quality – **40** available points

3.2.3 Price – **35** available points

Cost scores will then be normalized to one another, based on the lowest cost proposal evaluated. The lowest cost proposal receives a total of 35 points. The normalization formula is as follows:

- *Respondent's Cost Score = (Lowest Cost Proposal / Total Cost of Proposal) X 35 points*

3.2.4 Indiana Economic Impact - 5 available points

See Section 2.6 for additional information.

The total number of full time equivalent (FTE – please see Section 1.2 for a definition of FTE's) Indiana resident employees for the Respondent's proposal, to execute the scope of work proposed in this RFP, (prime contractor and subcontractors) will be used to evaluate the Respondent's Indiana Economic Impact. Points will be awarded based on a graduated scale. The Respondent with the most Indiana FTEs will be awarded 5 points. Points will then be awarded to the remaining Respondents proportionately. Please see Attachment C, Indiana Economic Impact Form, for more detailed instructions.

3.2.5 Buy Indiana Initiative – 5 available points

Respondents qualifying as an Indiana Company as defined in Section 2.7 will receive 5 points in this category.

3.2.6 Minority (5 available points) & Women's Business (5 available points) Subcontractor Commitment - (10 available points).

The following formula will be used to determine points to be awarded based on the MBE and WBE goals listed in Section 1.20 of this RFP. Scoring is conducted based on an assigned 10-point, plus possible 2 bonus-points, scale (MBE: Possible 5 points + 1 bonus point, WBE: Possible 5 points + 1 bonus Point). Points are assigned for respective MBE participation and WBE participation based upon the BAFO meeting or exceeding the established goals.

If the respondent's commitment percentage is less than the established MBE or WBE goal, the maximum points achieved will be awarded according to the following schedule:

| % | 1% | 2% | 3% | 4% | 5% | 6% | 7% | 8% |
|------|------|------|-------|-----|-------|------|-------|-----|
| Pts. | .625 | 1.25 | 1.875 | 2.5 | 3.125 | 3.75 | 4.375 | 5.0 |

NOTE: Fractional percentages will be rounded up or down to the nearest whole percentage. (e.g. 7.49% will be rounded down to 7% = 4.375 pts., 7.50% will be rounded up to 8% = 5.00 pts.)

If the respondent's commitment percentage is rounded down to 0% for MBE or WBE participation the respondent will receive 0 points.

If the respondent's commitment percentage is 0% for MBE or WBE participation, a deduction of 1 point will be discounted on the respective MBE or WBE score.

The respondent with the greatest applicable CUF participation which exceeds the stated goal for the respective MBE or WBE category will be awarded 6 points (5 points plus 1 bonus point). In cases where there is a tie for the greatest applicable CUF participation and both firms exceed the goal for the respective MBE/WBE category both firms will receive 6 points.

3.2.7 Indiana Veteran Business Enterprise Subcontractor Commitment – 5 available points

The following formula will be used to determine points to be awarded based on the IVBE goal listed in Section 1.22 of this RFP. Scoring is conducted based on an assigned 5-point, plus possible 1 bonus-point, scale. Points are assigned for IVBE participation based upon the BAFO meeting or exceeding the established goals.

If the respondent's commitment percentage is less than the established IVBE goal, the maximum points achieved will be awarded according to the following schedule:

| % | 0% | 0.6% | 1.2% | 1.8% | 2.4% | 3% |
|------|----|------|------|------|------|----|
| Pts. | -1 | 1 | 2 | 3 | 4 | 5 |

NOTE: Fractional points will be awarded based upon a graduated scale between whole points. (e.g. a 0.3% commitment will receive .5 points and a 1.5% commitment will receive 2.5 points)

If the respondent's commitment percentage is 0% for IVBE participation, a deduction of 1 point will be assessed.

The respondent with the greatest applicable CUF participation which exceeds the stated goal for the IVBE category will be awarded 6 points (5 points plus 1 bonus point). In cases where there is a tie for the greatest applicable CUF participation and both firms exceed the goal for the IVBE category both firms will receive 6 points.

3.2.8 Qualified State Agency Preference Scoring

When applicable, pursuant to Indiana Code 5-22-13, a qualified state agency submitting a response to this RFP will be awarded preference points for Minority, Women's, and Indiana Veteran Business Enterprise equal the Respondent awarded the highest combined points awarded for such preferences in the scoring of this RFP.

The Commissioner of IDOA or their designee will, in the exercise of their sole discretion, determine which proposal(s) offer the best means of servicing the interests of the State. The exercise of this discretion will be final.